

**MICROBIT FUNDS SERIES (HONG KONG) ETF OFC**

(An umbrella open-ended fund company established under the laws of Hong Kong)

(a Hong Kong public umbrella open-ended fund company with variable capital, limited liability and segregated liability between sub-funds and authorised under section 104 of the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "SFO"))

**Reports and Financial Statements**

MICROBIT FUNDS SERIES (HONG KONG) ETF OFC

For the period from 3 July 2025 (date of incorporation) to 31 December 2025

MICROBIT BITCOIN SPOT ETF

(A Sub-Fund of MicroBit Funds Series (Hong Kong) ETF OFC)  
(Stock code: 3430.HK and 9430.HK)

For the period from 20 August 2025 (date of inception) to 31 December 2025

MICROBIT ETHER SPOT ETF

(A Sub-Fund of MicroBit Funds Series (Hong Kong) ETF OFC)  
(Stock code: 3425.HK and 9425.HK)

For the period from 20 August 2025 (date of inception) to 31 December 2025

MICROBIT FUNDS SERIES (HONG KONG) ETF OFC

(An umbrella open-ended fund company established under the laws of Hong Kong)

REPORTS AND FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2025

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MICROBIT FUNDS SERIES (HONG KONG) ETF OFC

(An umbrella open-ended fund company established under the laws of Hong Kong)

MANAGEMENT AND ADMINISTRATION

**Directors of the Company**

CHENG Shu Yuen (Resigned on  
24 February 2026)  
KHUONG Chun Yu Kenny (Resigned on  
3 March 2026)  
LIM Pak Fu  
LO Yuen Ting (Appointed on 3 March 2026)

**Legal Counsel to the Manager**

Baker & McKenzie  
14/F, One Taikoo Place 979  
King's Road  
Quarry Bay, Hong Kong

**Manager**

MicroBit Capital Management Limited  
1702-03, One Exchange Square  
8 Connaught Place  
Central, Hong Kong

**Auditor**

Deloitte Touche Tohmatsu  
35/F, One Pacific Place  
88 Queensway  
Admiralty, Hong Kong

**Directors of the Manager**

FUNG Ging Ting  
LIM Pak Fu (Appointed on 26 November 2025)  
LYU Yi  
KHUONG Chun Yu Kenny (Resigned on  
31 January 2026)

**Listing Agent**

Altus Capital Limited  
King's Road  
21 Wing Wo Street  
Central, Hong Kong

**Custodian, Administrator and Registrar**

BOCI-Prudential Trustee Limited  
Suites 1501-1507 & 1513-1516, 15/F  
1111 King's Road  
Taikoo Shing, Hong Kong

**Conversion Agent or Service Agent**

HK Conversion Agency Services Limited  
8/F, Two Exchange Square  
8 Connaught Place  
Central, Hong Kong

**Virtual Assets Sub-Custodian**

Hash Blockchain Limited, acting via its associated  
entity HashKey Custody Services Limited  
Unit 614-615, Core D  
Cyberport 3, 100 Cyberport Road  
Hong Kong

**Virtual Assets Trading Platform**

HashKey Exchange  
Unit 614-615, Core D  
Cyberport 3, 100 Cyberport Road  
Hong Kong

MICROBIT FUNDS SERIES (HONG KONG) ETF OFC

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MANAGEMENT AND ADMINISTRATION - continued

**Participating Dealers**

China Merchants Securities (HK) Co., Limited  
32/F One Exchange Square  
8 Connaught Place  
Central, Hong Kong

Eddid Securities and Futures Limited  
21/F, CITIC Tower, 1 Tim Mei Avenue  
Central, Hong Kong

Mirae Asset Securities (HK) Limited  
Units 8501&8506B, 8507-08, Level 85  
International Commerce Centre  
1 Austin Road West, Kowloon  
Hong Kong

Solomon JFZ (Asia) Holdings Limited  
Room 1910-1912A, Tower 3  
China Hong Kong City, 33 Canton Road  
Tsim Sha Tsui, Kowloon  
Hong Kong

Valuable Capital Limited  
Room 3601-06 & 3617-19, 36/F, China Merchants Tower  
Shun Tak Centre, 168-200 Connaught Road  
Central, Hong Kong

Victory Securities Company Limited  
20/F, 308 Central Des Voeux  
Sheung Wan, Hong Kong

## REPORT OF THE MANAGER TO THE SHAREHOLDERS

### MICROBIT BITCOIN SPOT ETF

- a Sub-fund of MicroBit Funds Series (Hong Kong) ETF OFC

(An umbrella open-ended fund company established under the laws of Hong Kong)

### **Introduction**

MicroBit Bitcoin Spot ETF (the "Sub-Fund") is a sub-fund of MicroBit Funds Series (Hong Kong) ETF OFC, a public umbrella open-ended fund company established under Hong Kong laws with variable capital with limited liability and segregated liability between sub-funds. The Sub-Fund is a passively managed exchange-traded fund falling within Chapter 8.6 of the Code on Unit Trusts and Mutual Funds issued by the Securities and Futures Commission. Units of the Sub-Fund are traded on The Stock Exchange of Hong Kong Limited (the "SEHK") like stocks. The Sub-Fund's HKD counter (stock code: 03430), and USD counter (stock code: 09430) commenced trading on the SEHK on 21 August 2025. The Sub-Fund is an index-tracking fund that seeks to track the performance of the CME CF Bitcoin Reference Rate (APAC Variant) (the "Index").

The Sub-Fund may invest up to 100% of its assets in bitcoin. Transactions of bitcoin by the Sub-Fund will be conducted through Securities and Futures Commission - licensed virtual asset trading platforms. Bitcoin operates without central authority (such as a bank) and is not backed by any government. Bitcoin is a Virtual Asset created and transmitted through the operations of a peer-to-peer network of computers that operates on cryptographic protocols, namely the Bitcoin Network. No single entity owns or operates the Bitcoin Network, the infrastructure of which is collectively maintained by its user base. Tokens of value, called bitcoin, are exchanged on the Bitcoin Network. Such transactions are recorded on a public transaction ledger known as the Bitcoin Blockchain. The value of bitcoin is determined by the demand for and supply of bitcoin on Virtual Asset's trading platforms or in private end-user-to-end-user transactions.

### **Performance of the Sub-Fund**

The investment objective is to provide investment results that, before fees and expenses, closely correspond to the performance of bitcoin, as measured by the performance of the Index. There is no assurance that the Sub-Fund will achieve its investment objective.

The performance of the Sub-Fund is as shown below (Total Returns in respective currency<sup>1</sup>):

	<u>1-month</u>	<u>3-month</u>	<u>Since launch<sup>2</sup></u>
The Index	-3.09%	-22.35%	-22.20%
HKD Counter of the Sub-Fund (NAV-to-NAV)	-3.19%	-22.51%	-23.01%
HKD Counter of the Sub-Fund (Market-to-Market)	-2.98%	-22.62%	-22.92%
USD Counter of the Sub-Fund (NAV-to-NAV)	-3.13%	-22.47%	-22.70%
USD Counter of the Sub-Fund (Market-to-Market)	-4.14%	-23.19%	-23.50%

REPORT OF THE MANAGER TO THE SHAREHOLDERS – continued

MICROBIT BITCOIN SPOT ETF

- a Sub-fund of MicroBit Funds Series (Hong Kong) ETF OFC

(An umbrella open-ended fund company established under the laws of Hong Kong)

**Activities of the Sub-Fund**

According to Bloomberg, the average daily trading volume of the Sub-Fund was 32,951 shares from 21 August 2025 (date of listing on SEHK) to 31 December 2025. As of 31 December 2025, there were 265,500,000 shares outstanding.

- <sup>1</sup> Source: Bloomberg, as of 31 December 2025. Performances of the benchmark Index and HKD Counter of the Sub-Fund are calculated in HKD while performances of USD Counter of the Sub-Fund are calculated in USD. Past performance figures shown are not indicative of the future performance of the Sub-Fund.
- <sup>2</sup> Calculated since 20 August 2025 (date of inception).

## REPORT OF THE MANAGER TO THE SHAREHOLDERS – continued

### MICROBIT ETHER SPOT ETF

- a Sub-fund of MicroBit Funds Series (Hong Kong) ETF OFC

(An umbrella open-ended fund company established under the laws of Hong Kong)

### **Introduction**

MicroBit Ether Spot ETF (the "Sub-Fund") is a sub-fund of MicroBit Funds Series (Hong Kong) ETF OFC, a public umbrella open-ended fund company established under Hong Kong laws with variable capital with limited liability and segregated liability between sub-funds. The Sub-Fund is a passively managed exchange-traded fund ("ETF") falling within Chapter 8.6 of the Code on Unit Trusts and Mutual Funds issued by the Securities and Futures Commission (the "Code"). Units of the Sub-Fund (the "Units") are traded on The Stock Exchange of Hong Kong Limited (the "SEHK") like stocks. The Sub-Fund's HKD counter (stock code: 03425) and USD counter (stock code: 09425) commenced trading on the SEHK on 21 August 2025. The Sub-Fund is an index-tracking fund that seeks to track the performance of the CME CF Ether-Dollar Reference Rate (APAC Variant) (the "Index").

Ether operates without central authority (such as a bank) and is not backed by any government. Ether is a Virtual Asset created and transmitted through the operations of a peer-to-peer network of computers that operates on cryptographic protocols, namely the Ethereum Network. No single entity owns or operates the Ethereum Network, the infrastructure of which is collectively maintained by its user base. Tokens of value, called ether, are exchanged on the Ethereum Network. Such transactions are recorded on a public transaction ledger known as the Ethereum Blockchain. Although ether may be used as a medium of exchange for goods and services, a unit of account, a store of value (despite its price volatility), or converted to a fiat currency, it is not a legal tender.

REPORT OF THE MANAGER TO THE SHAREHOLDERS - continued

MICROBIT ETHER SPOT ETF

- a Sub-fund of MicroBit Funds Series (Hong Kong) ETF OFC

(An umbrella open-ended fund company established under the laws of Hong Kong)

**Performance of the Sub-Fund**

The investment objective is to aim to provide investment results that, before fees and expenses, closely correspond to the performance of the price of ether as reflected by the Index. There is no assurance that the Sub-Fund will achieve its investment objective.

The performance of the Sub-Fund is as shown below (Total Returns in respective currency<sup>3</sup>), of which staking income contributes USD 32,902 to the Sub-Fund as of 31 December 2025:

	<u>1-Month</u>	<u>3-Month</u>	<u>Since launch<sup>4</sup></u>
The Index	-1.35%	-29.10%	-29.20%
HKD Counter of the Sub-Fund (NAV-to-NAV)	-1.49%	-29.18%	-29.91%
HKD Counter of the Sub-Fund (Market-to-Market)	-2.86%	-29.87%	-30.41%
USD Counter of the Sub-Fund (NAV-to-NAV)	-1.54%	-29.20%	-29.70%
USD Counter of the Sub-Fund (Market-to-Market)	-2.79%	-29.71%	-30.20%

**Activities of the Sub-Fund**

According to Bloomberg, the average daily trading volume of the Sub-Fund was 141,869 shares from 21 August 2025 (date of listing on SEHK) to 31 December 2025. As of 31 December 2025, there were 15,400,000 shares outstanding.

MicroBit Capital Management Limited  
30 April 2026

<sup>3</sup> Source: Bloomberg, as of 31 December 2025. Performances of the benchmark Index and HKD Counter of the Sub-Fund are calculated in HKD while performances of USD Counter of the Sub-Fund are calculated in USD. Past performance figures shown are not indicative of the future performance of the Sub-Fund.

<sup>4</sup> Calculated since 20 August 2025 (date of inception).

REPORT OF THE CUSTODIAN TO THE SHAREHOLDERS

MICROBIT FUNDS SERIES (HONG KONG) ETF OFC

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We hereby confirm that, in our opinion, MicroBit Capital Management Limited, the Manager of MicroBit Funds Series (Hong Kong) ETF OFC for the period from 3 July 2025 (date of incorporation) to 31 December 2025, has, in all material respects, managed the Company in accordance with the provisions of the Instrument of Incorporation of the Company dated 25 June 2025.

For and on behalf of  
BOCI-Prudential Trustee Limited ("Custodian")  
in its capacity as Custodian of MicroBit Funds Series (Hong Kong) ETF OFC  
30 April 2026

## **INDEPENDENT AUDITOR'S REPORT**

### **To the Shareholders of MicroBit Funds Series (Hong Kong) ETF OFC, and MicroBit Bitcoin Spot ETF and MicroBit Ether Spot ETF of the Company**

(MicroBit Funds Series (Hong Kong) ETF OFC is a public umbrella open-ended fund company established under the laws of Hong Kong)

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the financial statements of MicroBit Funds Series (Hong Kong) ETF OFC (the "Company") for the period from 3 July 2025 (date of incorporation of the Company) to 31 December 2025 and its sub-funds, namely MicroBit Bitcoin Spot ETF and MicroBit Ether Spot ETF (each a separate sub-fund of the Company and collectively referred to as the "Sub-Funds") for the period from 20 August 2025 (date of inception of the Sub-Funds) to 31 December 2025, set out on pages 13 to 41, which comprise the statement of financial position as at 31 December 2025, and the statement of profit or loss and other comprehensive income, statement of changes in net assets attributable to shareholders and statement of cash flows for the respective periods then ended, and notes to the financial statements, including material accounting policy information and other explanatory information.

In our opinion, the financial statements give a true and fair view of the financial position of the Company and each of the Sub-Funds as at 31 December 2025, and of each of their financial performance and cash flows for the respective periods then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB").

#### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company and the Sub-Funds in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (the "IESBA Code"), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## INDEPENDENT AUDITOR'S REPORT - continued

### To the Shareholders of MicroBit Funds Series (Hong Kong) ETF OFC, and MicroBit Bitcoin Spot ETF and MicroBit Ether Spot ETF of the Company

(MicroBit Funds Series (Hong Kong) ETF OFC is a public umbrella open-ended fund company established under the laws of Hong Kong)

### Report on the Audit of the Financial Statements - continued

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<b>Digital assets held by the Sub-Funds</b>	
<p>MicroBit Bitcoin Spot ETF and MicroBit Ether Spot ETF primarily hold digital assets (Bitcoin for MicroBit Bitcoin Spot ETF and Ether for MicroBit Ether Spot ETF, respectively) through a virtual asset sub-custodian. The assets are measured at fair value less costs to sell and represent the principal element of the Sub-Funds' net assets attributable to their shareholders.</p> <p>We identified digital assets held by the Sub-Funds as a key audit matter due to the significance of the digital assets to the financial statements and they are subject to heightened risks of loss, theft or compromise of access to the private keys required to control the digital assets.</p> <p>The carrying amounts of digital assets held by MicroBit Bitcoin Spot ETF and MicroBit Ether Spot ETF as at 31 December 2025 were US\$ 205,186,942 and US\$10,726,597 respectively, and the net losses on digital assets held by MicroBit Bitcoin Spot ETF and MicroBit Ether Spot ETF recorded in profit or loss for the period from 20 August 2025 (date of inception of the Sub-Funds) to 31 December 2025 were US\$57,136,112 and US\$7,632,896, respectively.</p> <p>Details are set out in notes 1, 7 and 11 to the financial statements.</p>	<p>Our procedures in relation to digital assets held by the Sub-Funds included:</p> <ul style="list-style-type: none"><li>• Obtaining an understanding of the Sub-Funds' processes of the relevant controls over digital assets held by the Sub-Funds, and evaluating the effectiveness of their design and implementation;</li><li>• Obtaining the internal control report of the virtual asset sub-custodian and the corresponding independent service auditors' assurance report, and evaluating the relevant controls over digital assets held in custody for the Sub-Funds;</li><li>• Circularising independent confirmations directly to the virtual asset sub-custodian to confirm the quantity of digital assets held in custody for the Sub-Funds as of 31 December 2025;</li><li>• Testing a selection of purchases and sales transactions of digital assets during the period from 20 August 2025 (date of inception of the Sub-Funds) to 31 December 2025 recorded in the transaction report, by tracing the selected transactions to relevant supporting documents; and</li><li>• Checking the fair values of digital assets held by the Sub-Funds with independent market data.</li></ul>

## **INDEPENDENT AUDITOR'S REPORT - continued**

### **To the Shareholders of MicroBit Funds Series (Hong Kong) ETF OFC, and MicroBit Bitcoin Spot ETF and MicroBit Ether Spot ETF of the Company**

(MicroBit Funds Series (Hong Kong) ETF OFC is a public umbrella open-ended fund company established under the laws of Hong Kong)

### **Report on the Audit of the Financial Statements - continued**

#### **Other Information**

The directors and manager of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Responsibilities of Directors and Manager for the Financial Statements**

The directors and manager of the Company are responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the IASB, and for such internal control as the directors and manager determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors and manager are responsible for assessing the ability of the Company and the Sub-Funds to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors and manager either intend to liquidate the Company and the Sub-Funds or to cease operations, or have no realistic alternative but to do so.

In addition, the directors and manager are required to ensure that the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the Instrument of Incorporation of the Company dated 25 June 2025, Part 7 of the Securities and Futures (Open-ended Fund Companies) Rules ("OFC Rules"), Appendix E of the Code on Unit Trusts and Mutual Funds ("UT Code") and Chapter 9 of the Code on Open-Ended Fund Companies ("OFC Code") issued by the Securities and Futures Commission.

## **INDEPENDENT AUDITOR'S REPORT - continued**

### **To the Shareholders of MicroBit Funds Series (Hong Kong) ETF OFC, and MicroBit Bitcoin Spot ETF and MicroBit Ether Spot ETF of the Company**

(MicroBit Funds Series (Hong Kong) ETF OFC is a public umbrella open-ended fund company established under the laws of Hong Kong)

### **Report on the Audit of the Financial Statements - continued**

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with Section 153 of the OFC Rules, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. In addition, we are required to assess whether the financial statements of the Company and the Sub-Funds have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Instrument of Incorporation of the Company dated 25 June 2025, Part 7 of the OFC Rules, Appendix E of the UT Code and Chapter 9 of the OFC Code.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls of the Company and the Sub-Funds.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors and the manager.
- Conclude on the appropriateness of the directors' and the manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company and the Sub-Funds to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Sub-funds to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

**INDEPENDENT AUDITOR'S REPORT - continued**

**To the Shareholders of MicroBit Funds Series (Hong Kong) ETF OFC and MicroBit Bitcoin Spot ETF and MicroBit Ether Spot ETF of the Company**

(MicroBit Funds Series (Hong Kong) ETF OFC is a public umbrella open-ended fund company established under the laws of Hong Kong)

**Report on the Audit of the Financial Statements - continued**

**Auditor's Responsibilities for the Audit of the Financial Statements - continued**

We communicate with the directors and the manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors and the manager with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors and the manager, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on matters under the relevant disclosure provisions of the Instrument of Incorporation of the Company dated 25 June 2025, Part 7 of the OFC Rules, Appendix E of the UT Code and Chapter 9 of the OFC Code**

In our opinion, the financial statements have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Instrument of Incorporation of the Company dated 25 June 2025, Part 7 of the OFC Rules, Appendix E of the UT Code and Chapter 9 of the OFC Code.

The engagement partner on the audit resulting in this independent auditor's report is CHAN, Wo Mi.

**Deloitte Touche Tohmatsu**  
Certified Public Accountants  
Hong Kong  
30 April 2026

MICROBIT FUNDS SERIES (HONG KONG) ETF OFC

(An umbrella open-ended fund company established under the laws of Hong Kong)

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

	<u>Note</u>	<b>MicroBit Funds Series (Hong Kong) ETF OFC</b> <u>2025</u> US\$	<b>MicroBit Bitcoin Spot ETF</b> <u>2025</u> US\$	<b>MicroBit Ether Spot ETF</b> <u>2025</u> US\$
<b>Assets</b>				
Digital assets	7	-	205,186,942	10,726,597
Cash and cash equivalents	8(e)	-	206,507	2,573
<b>Total assets</b>		-	205,393,449	10,729,170
<b>Liabilities</b>				
Management fee payable	8(a)	-	86,550	6,116
Administration fee payable	8(b)	-	35,335	10,000
Custodian fee payable	8(b)	-	105,934	8,359
Registrar fee payable	8(c)	-	2,500	2,500
Audit fee accruals		-	13,520	13,520
Accrued expenses and other payables	8(c)	-	53,573	16,958
<b>Total liabilities</b>		-	297,412	57,453
<b>Equity</b>				
Net assets attributable to shareholders	10	-	205,096,037	10,671,717

The financial statements on page 13 to 41 were approved and authorised for issue by the Board of Directors on 30 April 2026 and signed on its behalf by:

As directors of MicroBit Funds Series  
(Hong Kong) ETF OFC

MicroBit Capital Management Limited  
as the Manager

The notes on pages 19 to 41 form an integral part of these financial statements.

**MICROBIT FUNDS SERIES (HONG KONG) ETF OFC**

(An umbrella open-ended fund company established under the laws of Hong Kong)

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 31 DECEMBER 2025**

		<b>MicroBit Funds Series (Hong Kong) ETF OFC</b>	<b>MicroBit Bitcoin Spot ETF</b>	<b>MicroBit Ether Spot ETF</b>
		For the period from 3 July 2025 (date of incorporation) to 31 December 2025 US\$	For the period from 20 August 2025 (date of inception) to 31 December 2025 US\$	For the period from 20 August 2025 (date of inception) to 31 December 2025 US\$
	<u>Note</u>			
<b>Income</b>				
Net losses on digital assets	5	-	(57,136,112)	(7,632,896)
Net foreign exchange gains/(losses)		-	254	(56)
Staking income		-	-	32,970
Sundry income		-	-	80,588
Interest income from bank deposits	8(e)	-	24	10
<b>Total income</b>		-	<u>(57,135,834)</u>	<u>(7,519,384)</u>
<b>Expenses</b>				
Management fee	8(a)	-	(409,169)	(39,609)
Administration fee	8(b)	-	(81,834)	(21,774)
Custodian fee	8(b)	-	(247,205)	(23,798)
Registrar fee	8(c)	-	(2,500)	(2,500)
Auditor's remuneration		-	(33,800)	(33,800)
Transaction costs	8(d)	-	(5,995)	(5,995)
Establishment costs	9	-	(179,868)	(179,868)
Other operating expenses		-	(41,728)	(4,905)
<b>Total expenses</b>		-	<u>(1,002,099)</u>	<u>(312,249)</u>
<b>Loss before tax</b>		-	(58,137,933)	(7,831,633)
Taxation	6	-	-	-
<b>Loss and total comprehensive expense for the period</b>		-	<u><u>(58,137,933)</u></u>	<u><u>(7,831,633)</u></u>

The notes on pages 19 to 41 form an integral part of these financial statements.

MICROBIT FUNDS SERIES (HONG KONG) ETF OFC

(An umbrella open-ended fund company established under the laws of Hong Kong)

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS  
FOR THE PERIOD ENDED 31 DECEMBER 2025

	<b>MicroBit Funds Series (Hong Kong) ETF OFC</b>	<b>MicroBit Bitcoin Spot ETF</b>	<b>MicroBit Ether Spot ETF</b>
	For the period from 3 July 2025 (date of incorporation) to 31 December <u>2025</u> US\$	For the period from 20 August 2025 (date of inception) to 31 December <u>2025</u> US\$	For the period from 20 August 2025 (date of inception) to 31 December <u>2025</u> US\$
<b>Net assets attributable to shareholders at the beginning of the period</b>	-	-	-
<b>Issues and redemptions of shares during the period</b>			
Issues of shares			
-In-kind	-	259,491,110	21,056,160
-In cash	-	5,967,360	4,982,690
Redemptions of shares			
-In-kind	-	(811,920)	(2,570,760)
-In cash	-	(1,412,580)	(4,964,740)
<b>Net issues of shares</b>	-	<u>263,233,970</u>	<u>18,503,350</u>
Loss and total comprehensive expense for the period	-	<u>(58,137,933)</u>	<u>(7,831,633)</u>
<b>Net assets attributable to shareholders at the end of the period</b>	-	<u><u>205,096,037</u></u>	<u><u>10,671,717</u></u>
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MICROBIT FUNDS SERIES (HONG KONG) ETF OFC

(An umbrella open-ended fund company established under the laws of Hong Kong)

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS - continued  
FOR THE PERIOD ENDED 31 DECEMBER 2025

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		<b>MicroBit Funds Series (Hong Kong) ETF OFC</b>	<b>MicroBit Bitcoin Spot ETF</b>	<b>MicroBit Ether Spot ETF</b>
		For the period from 3 July 2025 (date of incorporation) to 31 December <u>2025</u> Shares	For the period from 20 August 2025 (date of inception) to 31 December <u>2025</u> Shares	For the period from 20 August 2025 (date of inception) to 31 December <u>2025</u> Shares
	<u>Note</u>			
<b>Number of shares in issue at the beginning of the period</b>		-	-	-
Issues of shares during the period		-	268,100,000	25,900,000
Redemptions of shares during the period		-	(2,600,000)	(10,500,000)
<b>Number of shares in issue at the end of the period</b>		-	265,500,000	15,400,000
Net asset value per share	10	-	US\$0.7725	US\$0.6930

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The notes on pages 19 to 41 form an integral part of these financial statements.

**MICROBIT FUNDS SERIES (HONG KONG) ETF OFC**

(An umbrella open-ended fund company established under the laws of Hong Kong)

**STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 31 DECEMBER 2025**

	<b>MicroBit Funds Series (Hong Kong) ETF OFC</b>	<b>MicroBit Bitcoin Spot ETF</b>	<b>MicroBit Ether Spot ETF</b>
	For the period from 3 July 2025 (date of incorporation) to 31 December 2025	For the period from 20 August 2025 (date of inception) to 31 December 2025	For the period from 20 August 2025 (date of inception) to 31 December 2025
<u>Note</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>
<b>Cash flows from operating activities</b>			
Loss before tax	-	(58,137,933)	(7,831,633)
Adjustments for:			
Interest income from bank deposit	-	(24)	(10)
Net losses on digital assets	5	57,136,112	7,632,896
Operating cash flow before movements in working capital	-	(1,001,845)	(198,747)
(Increase) decrease in digital assets	-	(3,658,846)	151,237
Increase in management fee payable	-	86,550	6,116
Increase in custodian and administration fees payable	-	141,269	18,359
Increase in accrued expenses and other payables	-	69,593	32,978
Cash used in operations	-	(4,363,279)	9,943
Interest received	-	24	10
Net cash (used in) from operating activities	-	(4,363,255)	9,953
<b>Cash flows from financing activities</b>			
Proceeds from issues of shares	-	5,982,629	4,982,617
Cash paid on redemptions of shares	-	(1,412,867)	(4,989,997)
Net cash from (used in) financing activities	-	4,569,762	(7,380)
<b>Net increase in cash and cash equivalents</b>	-	206,507	2,573
Cash and cash equivalents at the beginning of the period	-	-	-
Cash and cash equivalents at the end of the period	-	206,507	2,573

Refer to note 13 for the non-cash transactions during the periods.

MICROBIT FUNDS SERIES (HONG KONG) ETF OFC

(An umbrella open-ended fund company established under the laws of Hong Kong)

STATEMENT OF CASH FLOWS – continued  
FOR THE PERIOD ENDED 31 DECEMBER 2025

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	<b>MicroBit Funds Series (Hong Kong) ETF OFC</b>	<b>MicroBit Bitcoin Spot ETF</b>	<b>MicroBit Ether Spot ETF</b>
	For the period from 3 July 2025 (date of incorporation) to 31 December <u>2025</u>	For the period from 20 August 2025 (date of inception) to 31 December <u>2025</u>	For the period from 20 August 2025 (date of inception) to 31 December <u>2025</u>
	US\$	US\$	US\$
<b>Analysis of balances of cash and cash equivalents</b>			
Bank balances	-	206,507	2,573
	<u>                    </u>	<u>                    </u>	<u>                    </u>

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The notes on pages 19 to 41 form an integral part of these financial statements.

## MICROBIT FUNDS SERIES (HONG KONG) ETF OFC

(An umbrella open-ended fund company established under the laws of Hong Kong)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2025

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#### 1. GENERAL INFORMATION

MicroBit Funds Series (Hong Kong) ETF OFC (the "Company") is a public umbrella open-ended fund company with variable capital with limited liability, which was incorporated in Hong Kong under the Cap. 571 Securities and Futures Ordinance (the "SFO") on 3 July 2025. The Company is constituted by way of its instrument of incorporation filed to the Companies Registry of Hong Kong dated 25 June 2025 ("Instrument of Incorporation"). The Company is an open-ended fund company that is a body corporate upon which the sub-funds are launched and it owns no economic or legal interests in the sub-funds.

The Company is registered with the Securities and Futures Commission (the "SFC") under Section 112D of the SFO. The Company is authorised as a collective investment scheme by the SFC under Section 104 of the SFO and each sub-fund falls within Chapter 8.6 of the Code on Unit Trusts and Mutual Funds (the "UT Code") issued by the SFC.

As of 31 December 2025, the Company has two sub-funds, each a separate sub-fund of the Company, which are authorised by the SFC pursuant to section 104 of the SFO. They are governed by the relevant provisions of the Code on Open Ended Fund Companies (the "OFC Code") and the UT Code issued by the SFC. The two sub-funds, including MicroBit Bitcoin Spot ETF and MicroBit Ether Spot ETF are referred to individually or collectively as the "Sub-Fund(s)".

The date of inception of MicroBit Bitcoin Spot ETF (stock code: 3430 (HKD counter) and 9430 (USD counter)) and MicroBit Ether Spot ETF (stock code: 3425 (HKD counter) and 9425 (USD counter)) was 20 August 2025 (date of inception). The Sub-Funds are listed on The Stock Exchange of Hong Kong Limited ("SEHK") on 21 August 2025.

#### MicroBit Bitcoin Spot ETF

MicroBit Bitcoin Spot ETF's investment objective is to aim to provide investment results that, before fees and expenses, closely correspond to the performance of the price of bitcoin as reflected by CME CF Bitcoin Reference Rate – Asia Pacific Variant.

In seeking to achieve the investment objective, the Sub-Fund will directly invest in bitcoin on Hashkey Exchange, a virtual assets' trading platform that is operated by Hashkey Blockchain Limited, a platform operator licensed by the SFC ("Hashkey") and all of Sub-Fund's bitcoin will be held by Hashkey, acting via its associated entity HashKey Custody Services Limited ("Hashkey Custody").

The Sub-Fund may invest up to 100% of its assets in bitcoin and will not invest in other types of investments except that the Sub-Fund may retain a small amount of cash (in HKD or USD) and/or cash equivalents (of up to a maximum of 5% of the Net Asset Value of the Sub-Fund) to pay for fees and other expenses and costs associated with the Sub-Fund's ongoing operations to meet redemption requests.

## MICROBIT FUNDS SERIES (HONG KONG) ETF OFC

(An umbrella open-ended fund company established under the laws of Hong Kong)

### 1. GENERAL INFORMATION - continued

#### MicroBit Ether Spot ETF

MicroBit Ether Spot ETF's investment objective is to aim to provide investment results that, before fees and expenses, closely correspond to the performance of the price of ether as reflected by CME CF Ether-Dollar Reference Rate - Asia Pacific Variant.

In seeking to achieve the investment objective, the Sub-Fund will directly invest in ether on Hashkey and all of the Sub-Fund's ether will be held by Hashkey, acting via its associated entity Hashkey Custody.

MicroBit Capital Management Limited (the "Manager") intends to enhance the performance of the Sub-Fund by staking up to 30% of the ether held in the portfolio of the Sub-Fund through Hashkey, that can perform staking activities on its own or by engaging its affiliates or third party staking service providers.

The Sub-Fund may invest up to 100% of its assets in ether and will not invest in other types of investments except that the Sub-Fund may retain a small amount of cash (in HKD or USD) and/or cash equivalents (of up to a maximum of 10% of the Net Asset Value of the Sub-Fund) to pay for fees and other expenses and costs associated with the Sub-Fund's ongoing operations to meet redemption requests.

#### Manager

The Company has appointed the Manager to manage the assets of the Company (i.e. to carry out investment management functions) and to provide asset valuation and pricing functions in respect of the Company and the Sub-Funds, pursuant to the Investment Management Agreement.

The Manager is licensed by the SFC to conduct Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO.

#### Custodian and Virtual Assets Sub-Custodian

The Company has appointed BOCI-Prudential Trustee Limited (the "Custodian") as the Custodian of the Sub-Funds. BOCI-Prudential Trustee Limited is incorporated in Hong Kong and is registered as a trust company under the Cap. 29 Trustee Ordinance of Hong Kong. The Custodian is a joint venture founded by BOC Group Trustee Company Limited and Prudential Corporation Holdings Limited.

The Custodian shall act as custodian of the assets of the Sub-Funds in respect of which it has been so appointed, pursuant to the Custody Agreement. The Custodian is responsible for the safekeeping of the assets of the Sub-Funds, and such assets will be dealt with pursuant to the terms in the Custody Agreement. The Custodian must take reasonable care, skill and diligence to ensure the safekeeping of the relevant Sub-Funds' property entrusted to it.

The Custodian has appointed Hashkey, acting via its associated entity Hashkey Custody, as the Virtual Assets Sub-Custodian of the Sub-Funds. Hashkey is a company incorporated in Hong Kong with limited liability and is licensed to carry on Type 1 (Dealing in Securities) and Type 7 (Providing Automated Trading Services) activities in Hong Kong under the SFO. Hashkey is also licensed operator operating a virtual asset trade platform - Hashkey Exchange, under the Cap. 615 Anti-Money Laundering and Counter-Terrorist Financing Ordinance of Hong Kong.

## MICROBIT FUNDS SERIES (HONG KONG) ETF OFC

(An umbrella open-ended fund company established under the laws of Hong Kong)

### 1. GENERAL INFORMATION - continued

#### Functional and presentation currency

The financial statements of the Company and the Sub-Funds are presented in US dollars ("USD"), which is also the functional currency of the Company and the Sub-Funds. The Manager considers USD as the currency that most faithfully represents the primary economic environment in which the Company and the Sub-Funds operates and the economic effects of the underlying transactions, events and conditions.

### 2. ADOPTION OF IFRS ACCOUNTING STANDARDS AND APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

The financial statements of the Company and each of the Sub-Funds have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB") for the current periods as the first-time adoption of IFRS Accounting Standards.

The financial statements of the Company cover the financial reporting period from 3 July 2025 (date of incorporation) to 31 December 2025.

The financial statements of the Sub-Funds cover the financial reporting period from 20 August 2025 (date of inception) to 31 December 2025.

#### *New and amendments to IFRS Accounting Standards in issue but not yet effective*

The Company and its Sub-Funds have not early applied the following relevant new and amendments to IFRS Accounting Standards that have been issued but are not yet effective:

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments <sup>2</sup>
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards - Volume 11 <sup>2</sup>
IFRS 18	Presentation and Disclosure in Financial Statements <sup>3</sup>

<sup>1</sup> Effective for annual periods beginning on or after a date to be determined.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2026.

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2027.

The Manager and directors of the Company anticipate that the application of all new and amendments to IFRS Accounting Standards will have no material impact on the financial statements in the foreseeable future, except for the following:

## MICROBIT FUNDS SERIES (HONG KONG) ETF OFC

(An umbrella open-ended fund company established under the laws of Hong Kong)

### 2. ADOPTION OF IFRS ACCOUNTING STANDARDS AND APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS - continued

*New and amendments to IFRS Accounting Standards in issue but not yet effective* - continued

#### ***IFRS 18 Presentation and Disclosures in Financial Statements***

IFRS 18 replaces IAS 1 Presentation of Financial Statements, carrying forward many of the requirements in IAS 1 unchanged and complementing them with new requirements. In addition, some IAS 1 paragraphs have been moved to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and IFRS 7 Financial Instruments: Disclosures. Furthermore, minor amendments to IAS 7 Statement of Cash Flows and IAS 33 Earnings per Share have been made.

IFRS 18 introduces new requirements to:

- present specified categories and defined subtotals in the statement of profit or loss
- provide disclosures on management-defined performance measures in the notes to the financial statements
- improve aggregation and disaggregation.

An entity is required to apply IFRS 18 for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted. The amendments to IAS 7 and IAS 33, as well as the revised IAS 8 and IFRS 7, become effective when an entity applies IFRS 18. IFRS 18 requires retrospective application with specific transition provisions. It is currently impracticable to disclose any further information on the known or reasonably estimable impact to the Company's and the Sub-Funds' financial statements in the period of initial application as management has yet to complete its detailed assessment. The Manager and directors of the Company do not plan to early adopt the above new standard.

### 3. BASIS OF PREPARATION OF FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

#### Statement of compliance

The financial statements of the Company and the Sub-Funds have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB and relevant disclosure provisions of the Instrument of Incorporation of the Company dated 25 June 2025, Part 7 of the OFC Rules, Appendix E of the UT Code and Chapter 9 of the OFC Code issued by the SFC.

#### Basis of preparation of the financial statements

The financial statements have been prepared on the historical cost basis except for digital assets that are measured at their fair value less costs to sell as explained in the accounting policies set out below. For the purpose of preparation of the financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

## MICROBIT FUNDS SERIES (HONG KONG) ETF OFC

(An umbrella open-ended fund company established under the laws of Hong Kong)

### 3. BASIS OF PREPARATION OF FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION - continued

#### Basis of preparation of the financial statements - continued

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company and the Sub-Funds take into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The material accounting policies are set out below.

#### Digital assets

Digital assets held in the sub-custodian are primarily for sale in the ordinary course of the Sub-Funds' business.

Since the investment objectives and business models of the Sub-Funds result in them making buy and sell trades in digital assets in the near future, and generating a profit from fluctuations in the price, the Sub-Funds apply the guidance in IAS 2 "Inventories" for commodity broker-traders and measures the digital assets at fair value less costs to sell. Costs to sell digital assets inventory are considered immaterial and hence measurement of digital assets is based on their fair value with changes in fair value recognised in the profit or loss in the period of the changes as "net losses on digital assets".

Digital assets are derecognised when they are sold by the Sub-Funds. The "net losses on digital assets" is further disaggregated into "change in unrealised losses in value of digital assets" and "net realised losses on sale of digital assets" in Note 5. Net realised losses on sale of digital assets represent the difference between the sales proceeds of the digital assets and the costs calculated using the average cost method.

The Sub-Funds' judgement made in determining the accounting policies of digital assets is included in Note 4.

## MICROBIT FUNDS SERIES (HONG KONG) ETF OFC

(An umbrella open-ended fund company established under the laws of Hong Kong)

### 3. BASIS OF PREPARATION OF FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION - continued

#### Financial instruments

Financial assets and financial liabilities are recognised on the statement of financial position when the Company and the Sub-Funds become a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss ("FVTPL")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

#### **Financial assets**

##### *Classification and subsequent measurement of financial assets*

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets of the Sub-Funds are measured at amortised cost.

##### *Derecognition of financial assets*

The Company and the Sub-Funds derecognise a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

## MICROBIT FUNDS SERIES (HONG KONG) ETF OFC

(An umbrella open-ended fund company established under the laws of Hong Kong)

### 3. BASIS OF PREPARATION OF FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION - continued

#### Financial instruments - continued

#### **Financial assets** - continued

#### **Financial liabilities and equity**

#### *Classification as debt or equity*

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

#### *Equity instruments*

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company and the Sub-Funds are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company and the Sub-Funds' own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company and the Sub-Funds' own equity instruments.

Shares are classified as an equity instrument when:

- i. The shares entitle the holder to a pro-rata share of the Sub-Funds' net assets in the event of the Sub-Funds' liquidation;
- ii. The shares are in the class of instruments that is subordinate to all other classes of instruments;
- iii. All shares in the class of instruments that is subordinate to all other classes of instruments have identical features;
- iv. The shares do not include any contractual obligation to deliver cash or another financial asset other than the holder's rights to a pro-rata share of the Sub-Funds' net assets; or
- v. The total expected cash flows attributable to the redeemable shares over the life of the instrument are based substantially on profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the Sub-Funds over the life of the instrument.

## MICROBIT FUNDS SERIES (HONG KONG) ETF OFC

(An umbrella open-ended fund company established under the laws of Hong Kong)

### 3. BASIS OF PREPARATION OF FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION - continued

#### Financial instruments - continued

#### **Financial liabilities and equity** - continued

#### *Equity instruments* - continued

In addition to the shares having all the above features, the Sub-Funds must have no other financial instrument or contract that has:

- i. Total cash flows based substantially on profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the Sub-Funds; and
- ii. The effect of substantially restricting or fixing the residual return to the shareholders.

The Sub-Funds' shares meet the definition of puttable instruments classified as equity instruments under the *IAS 32 Financial Instruments: Presentation* and are classified as equity.

The Sub-Funds continuously assess the classification of the shares. If the shares cease to have all the features or meet all the conditions set out to be classified as equity, the Sub-Funds will reclassify them as financial liabilities and measure them at fair value at the date of reclassification, with any differences from the previous carrying amount recognised in equity. If the shares subsequently have all the features and meet the conditions to be classified as equity, the Sub-Funds will reclassify them as equity instruments and measure them at the carrying amount of the liabilities at the date of the reclassification.

The issuance, acquisition and cancellation of shares are accounted for as equity transactions. Upon issuance of shares, the consideration received is included in equity.

Transaction costs incurred by the Sub-Funds in issuing its own equity instruments are accounted for as a deduction from equity to the extent that they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

The Sub-Funds' own equity instruments which are reacquired are deducted from equity and accounted for at amounts equal to the consideration paid, including any directly attributable incremental costs.

No gain or loss is recognised in profit or loss on the purchase, sale, issuance or cancellation of the Sub-Funds' own equity instruments.

Shares can be redeemed in cash equal to a proportionate share of the Sub-Funds' net asset value. The Sub-Funds' net asset value per unit is calculated by dividing the net assets attributable to shareholders with the total number of outstanding shares of the respective Sub-Funds.

#### *Financial liabilities*

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

## MICROBIT FUNDS SERIES (HONG KONG) ETF OFC

(An umbrella open-ended fund company established under the laws of Hong Kong)

### 3. BASIS OF PREPARATION OF FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION - continued

#### Financial instruments - continued

#### **Financial liabilities and equity** - continued

##### *Financial liabilities at amortised cost*

Financial liabilities including management fee payable, administrative fee payable, custodian fee payable and other payables are subsequently measured at amortised cost, using the effective interest method.

##### *Derecognition of financial liabilities*

The Company and the Sub-Funds derecognise financial liabilities when, and only when, the Company and the Sub-Funds' obligations are discharged, cancelled or expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

#### Foreign currencies

In preparing the financial statements of each individual Company and Sub-Fund, transactions in currencies other than the functional currency of that Company or Sub-Funds (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

#### Expenses

All expenses are recognised in statement of profit or loss and other comprehensive income on an accrual basis.

#### Cash and cash equivalents

Cash and cash equivalents presented on the statement of financial position comprises cash at banks only.

#### Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision-maker. The Manager, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the chief operating decision-maker that makes strategic decisions.

## MICROBIT FUNDS SERIES (HONG KONG) ETF OFC

(An umbrella open-ended fund company established under the laws of Hong Kong)

### 3. BASIS OF PREPARATION OF FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION - continued

#### Taxation

The Company and the Sub-funds are exempt from Hong Kong profits tax pursuant to Section 26A(1A)(a) of the Inland Revenue Ordinance of Hong Kong as the Company and the Sub-Funds have been authorised as a collective investment scheme by the SFC under Section 104 of the SFO.

#### Establishment costs

Establishment costs are recognised as an expense in the period in which they are incurred.

### 4. CRITICAL JUDGEMENT

The preparation of financial statements requires the management to make judgements that affect the application of accounting policies and the reported amounts recognised in the financial statements.

The following are the critical judgements that the Manager has made in the process of applying the Sub-Funds' accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

#### *Accounting for digital assets transactions and balances*

The Manager notes that the accounting for digital assets continues to be considered by the IASB and continue to monitor new comments and interpretations released by the IASB.

The Manager is required to determine the IFRS Accounting Standard applicable to the Sub-Funds' digital assets which involve significant judgements. As the digital assets of the Sub-Funds are held for sale in the ordinary course of business, the Manager considers IAS 2 Inventories to be the applicable standard for accounting the digital assets.

The Manager considers that the digital assets held by the Sub-Funds are commodities. The Sub-Funds buy and sell the digital assets when there are subscriptions and redemptions by the participating dealers. The digital assets are acquired with the purpose of selling in the near future and generating a profit from fluctuation in price. Therefore, the Sub-Funds are qualified for commodity broker-traders and measure the digital assets at fair value less costs to sell.

## MICROBIT FUNDS SERIES (HONG KONG) ETF OFC

(An umbrella open-ended fund company established under the laws of Hong Kong)

### 5. NET LOSSES ON DIGITAL ASSETS

	<b>MicroBit Bitcoin Spot ETF <u>2025</u> US\$</b>	<b>MicroBit Ether Spot ETF <u>2025</u> US\$</b>
Net realised losses on sale of		
- Bitcoin ("BTC")	(375,867)	-
- Ether ("ETH")	-	(3,085,215)
	<u>(375,867)</u>	<u>(3,085,215)</u>
Change in unrealised losses in value of		
- Bitcoin ("BTC")	(56,760,245)	-
- Ether ("ETH")	-	(4,547,681)
	<u>(56,760,245)</u>	<u>(4,547,681)</u>
Net losses on digital assets	<u>(57,136,112)</u>	<u>(7,632,896)</u>

### 6. TAXATION

#### Hong Kong Profits Tax

No provision for Hong Kong Profits Tax has been made for the Sub-Funds as they are authorised as collective investment schemes by the SFC under Section 104 of the SFO. Sub-Funds are exempt from Hong Kong profits tax pursuant to Section 26A(1A)(a) of the Hong Kong Inland Revenue Ordinance.

### 7. DIGITAL ASSETS

MicroBit Bitcoin Spot ETF and MicroBit Ether Spot ETF invest into bitcoin and ether respectively. These digital assets are not issued by any government, central bank or other centralised authority and operate on decentralised public transaction ledgers known as blockchain networks.

As disclosed in Note 1, the Sub-Funds have established a custody relationship with Hashkey Custody for the safekeeping of its digital assets held. Under this arrangement, all of the Sub-Funds' bitcoin and ether are held in digital asset wallets operated by the Hashkey (through the Custodian).

In accordance with the prospectus, for operational purpose, the Sub-Funds' digital assets are valued using an indexing approach by reference to CME CF Bitcoin Reference Rate (APAC Variant) and CME CF Ether-Dollar Reference Rate (APAC Variant) (the "indices"). According to the methodology guide of the index provider, the indices reflect the time-weighted average price derived from aggregated trade data between 3:00pm to 4:00pm Hong Kong time from multiple Bitcoin USD/ Ether USD markets operated by major cryptocurrency exchanges that conform to the index providers' criteria.

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### 7. DIGITAL ASSETS - continued

The methodology used to calculate the index price for measuring digital assets is not considered consistent with IFRS Accounting Standards. In accordance with IFRS 13 Fair Value Measurement, the Sub-Funds seek to maximize the use of relevant observable inputs and minimize the use of unobservable inputs when determining fair value. As a result, the use of an index-based approach to value digital assets is not appropriate under IFRS 13. Instead, to determine the principal market for the purpose to measure the fair value of the digital assets of the Sub-Funds, the Manager has made reference to digital assets market to which the Sub-Funds have access with the highest volume and level of activity. The fair value of the digital assets held by the Sub-Funds are measured at the last trading prices of that market at 16:00:00 Hong Kong time on the reporting date.

Below shows the value of digital assets for the purpose of calculating the operating net asset value ("NAV") in accordance with the prospectus and financial statements in accordance with IFRS Accounting Standards:

	<b>Quantity</b> <u>2025</u> Unit	<b>Unit price</b> <u>2025</u> US\$	<b>Value</b> <u>2025</u> US\$
<b><i>MicroBit Bitcoin Spot ETF</i></b>			
Bitcoin			
- for the purpose of calculating the Dealing NAV	2,318.4666	88,434.40	205,032,207
- for the purpose of financial statements	<u>2,318.4666</u>	<u>88,501.14</u>	<u>205,186,942</u>
<b><i>MicroBit Ether Spot ETF</i></b>			
Ether			
- for the purpose of calculating the Dealing NAV	3,607.5553	2,971.67	10,720,464
- for the purpose of financial statements	<u>3,607.5553</u>	<u>2,973.37</u>	<u>10,726,597</u>

The differences between the fair value of digital assets in accordance with IFRS Accounting Standards and the valuation of digital assets indicated in the Sub-Funds' prospectus resulted in adjustments in the dealing net asset value (see note 10).

#### Staking activities in MicroBit Ether Spot ETF

MicroBit Ether Spot ETF conducted staking activities exclusively through an affiliate of HashKey Exchange (operating as Hashkey Cloud), operated by Hashkey. All staking was performed on an agency basis with no transfer of ownership of the staked Ether from MicroBit Ether Spot ETF. Staking rewards, received in the form of additional ether, net of service fees charged, are recognised as staking income during the period ended 31 December 2025.

### 8. TRANSACTIONS AND BALANCES WITH THE MANAGER AND ITS CONNECTED PERSONS

Related parties of the Sub-Funds include the Manager and its connected persons. Connected persons of the Manager are those as defined in the UT Code issued by the SFC including Custodian and Administrator.

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8. TRANSACTIONS AND BALANCES WITH THE MANAGER AND ITS CONNECTED PERSONS - continued

The Sub-Funds had the following transactions with related parties during the period from 20 August 2025 (date of inception) to 31 December 2025.

All transactions entered into during the period between the Sub-Funds and its related parties were carried out in the normal course of business and on normal commercial terms. To the best of the Manager's knowledge, the Sub-Funds do not have any other transactions with its related parties, including the Manager and its connected persons except for those disclosed below.

(a) Management fees

The Manager is entitled to receive a management fee in respect of each class of shares calculated at 0.5% per annum of the net asset value of that part of the relevant Sub-Funds relating to the relevant class of shares.

The fee is calculated and accrued on each valuation day and payable monthly in arrears. The management fees charged for the period from 20 August 2025 (date of inception) to 31 December 2025 for each Sub-Fund are disclosed in the statement of profit or loss and comprehensive income. As at 31 December 2025, the management fees payable for each Sub-Fund is as below:

	<u>31 December 2025</u> US\$
MicroBit Bitcoin Spot ETF	86,550
MicroBit Ether Spot ETF	<u>6,116</u>

(b) Custodian and Administrator fees

The Custodian and the Administrator are entitled to receive a fee up to 1% per annum of the net asset value of the Sub-Funds, subject to a monthly minimum fee of US\$ 5,000. Such fee is inclusive of the fee payable to the Virtual Asset Sub-Custodian.

These fees are calculated and accrued on each valuation day and payable monthly in arrears. The custodian fees and administrator fee charged for the period from 20 August 2025 (date of inception) to 31 December 2025 for each Sub-Fund are disclosed in the statement of profit or loss and comprehensive income. As at 31 December 2025, the custodian fees payable for each Sub-Fund is as below:

	<u>31 December 2025</u> US\$
MicroBit Bitcoin Spot ETF	105,934
MicroBit Ether Spot ETF	<u>8,359</u>

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8. TRANSACTIONS AND BALANCES WITH THE CUSTODIAN, THE MANAGER AND THEIR CONNECTED PERSONS - continued

(b) Custodian and Administrator fees - continued

As at 31 December 2025, the administrator fees payable for each Sub-Fund is as below:

	<u>31 December 2025</u> US\$
MicroBit Bitcoin Spot ETF	35,335
MicroBit Ether Spot ETF	<u>10,000</u>

(c) Registrar fees

The Company appointed BOCI-Prudential Trustee Limited as the registrar. The fee is calculated as US\$500 per month per class of share for each Sub-Fund.

The registrar fees charged for the period from 20 August 2025 (date of inception) to 31 December 2025 for each Sub-Fund are disclosed in the statement of profit or loss and comprehensive income. As at 31 December 2025, the registrar fees payable for each Sub-Fund is as below:

	<u>31 December 2025</u> US\$
MicroBit Bitcoin Spot ETF	2,500
MicroBit Ether Spot ETF	<u>2,500</u>

(d) Transaction fees

Transaction fees include brokerage and commission fees for the purchases and sales of digital assets. The transaction fees charged for the period from 20 August 2025 (date of inception) to 31 December 2025 for each Sub-Fund as below:

	For the period from 20 August 2025 (date of inception) to <u>31 December 2025</u> US\$
MicroBit Bitcoin Spot ETF	5,995
MicroBit Ether Spot ETF	<u>5,995</u>

As at 31 December 2025, the transaction fees payable to BOCI-Prudential Trustee Limited for MicroBit Bitcoin Spot ETF and MicroBit Ether Spot ETF are US\$1,765 and US\$1,780 respectively.

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### 8. TRANSACTIONS AND BALANCES WITH THE CUSTODIAN, THE MANAGER AND THEIR CONNECTED PERSONS - continued

#### (e) Bank balances

The bank balance of a bank account maintained with Bank of China (Hong Kong) Limited, a related party of the Custodian of each Sub-Fund, as at 31 December 2025, is as below:

	<u>31 December 2025</u>
	US\$
MicroBit Bitcoin Spot ETF	206,507
MicroBit Ether Spot ETF	<u>2,573</u>

#### (e) Bank balances - continued

The interest earned from such bank accounts for the period from 20 August 2025 (date of inception) to 31 December 2025 for each Sub-Fund are disclosed in the statement of profit or loss and comprehensive income.

### 9. ESTABLISHMENT COSTS

According to the prospectus of the Sub-Funds, the establishment cost is amortised over the first 5 financial years of the Sub-Funds. However, with respect to the Sub-Funds for the purpose of financial statements preparation in compliance with IFRS Accounting Standards, its accounting policy is to expense the formation fee in profit or loss as incurred.

As of 31 December 2025, the establishment costs for establishing the Sub-Funds and the remaining amortisation periods as set out below:

	<u>MicroBit</u> <u>Bitcoin</u> <u>Spot ETF</u>	<u>MicroBit</u> <u>Ether</u> <u>Spot ETF</u>
Remaining amortisation period	4.58 years	4.58 years
Remaining amortisation amount	US\$164,855	US\$164,855

The differences between expensing the establishment costs as incurred in accordance with IFRS Accounting Standards and amortization of the establishment costs indicated in the Sub-Funds' prospectus resulted in adjustments in the dealing net asset value (see Note 10).

### 10. NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

#### Number of shares in issue and net assets attributable to shareholders

The Sub-Funds' capital is represented by the shares in the Sub-Funds, and shown as "net assets attributable to shareholders" in the statement of financial position. Issues and redemptions of shares, and movement in number of shares during the period ended 31 December 2025 are shown in the statement of changes in net assets attributable to shareholders. In order to achieve the investment objectives, the Sub-Funds' endeavor to invest its capital in accordance with the investment policies as outlined in note 1.

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### 10. NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS - continued

#### Number of shares in issue and net assets attributable to shareholders - continued

The Sub-Funds' objectives and policies for managing its obligations to redeem shares are included in note 11 on capital risk management.

#### **Net assets attributable to shareholders**

Net assets attributable to shareholders represent an equity in the statement of financial position, carried at the redemption amount that would be payable at the period end date if the shareholders exercised the right to redeem the shares in the Sub-Funds.

As stated in note 3, shares of the Sub-Funds, which are represented by assets less liabilities, are classified as equity and accounted for in accordance with IFRS Accounting Standards (the "Accounting NAV"). For the purpose of determining the net asset value per share for issues and redemptions and for various fee calculations (the "Dealing NAV"), BOCI Prudential Trustee Limited (the "Administrator") calculates the Dealing NAV in accordance with the provisions of the prospectus of the Sub-Funds, which may be different from the accounting policies under IFRS Accounting Standards.

The net asset value presented in the statement of financial position differs from that quoted for pricing purposes at the year end are different. The principles for calculating the Dealing NAV as set out in the Sub-Funds' prospectus are different from those required for financial reporting purposes under IFRSs. The following reconciliation provides details of the differences:

	<b>MicroBit Bitcoin Spot ETF</b>	<b>MicroBit Ether Spot ETF</b>
	31 December <u>2025</u> US\$	31 December <u>2025</u> US\$
Net asset value as reported in the statement of financial position as at 31 December 2025	205,096,037	10,671,717
Adjustments for different basis adopted by the Sub-Funds in arriving at the Dealing NAV:		
- Valuation of digital assets (note 7)	(154,735)	(6,133)
- Unamortised establishment cost (note 9)	164,855	164,855
Dealing NAV as at 31 December 2025	<u>205,106,157</u>	<u>10,830,439</u>

### 11. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Up to 100% of the Sub-Funds' assets may be invested in digital assets as dictated by their respective investment management strategies. The investment objectives of the Sub-Funds are disclosed in note 1.

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### 11. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES - continued

The Sub-Funds' investing activities expose it to various types of risks that are associated with the digital assets in which it invests. The Manager and the Custodian have set out below the most important types of financial risks inherent in each type of financial instruments and digital assets held. The Manager and the Custodian would like to highlight that the following list of associated risks only sets out some of the risks but does not purport to constitute an exhaustive list of all the risks inherent in an investment in the Sub-Funds. Shareholders should note that additional information in respect of risks associated with financial instruments in the Sub-Funds can be found in the Sub-Funds' prospectus. The directors delegate the investment function of the Sub-Funds to the Manager.

The nature and extent of the financial instruments and digital assets held at the end of the reporting period and the risk management policies employed are discussed below.

#### Market risk

Market risk embodies the potential for both losses and gains and includes price risk, currency risk and interest rate risk as a result of changes in the market. The Sub-Funds' strategies on the management of market risk are driven by the Sub-Funds' investment objectives.

The Sub-Funds' market risk is managed on a regular basis by the Manager in accordance with policies and procedures in place. Details of the nature of the Sub-Funds' investment portfolios at the reporting date are disclosed in the investment report.

#### **Price risk**

The Sub-Funds are exposed to price risk arising from digital assets which are measured on fair value less costs to sell basis. The Sub-Funds' performance is highly dependent on the market price of digital assets. Price risk is managed in accordance with the investment objectives. As at 31 December 2025, the only market exposures were investments in digital assets disclosed in note 7.

#### *Sensitivity*

At the reporting date, the impact of a 10% increase in value of the digital assets, with all other variables held constant, is show below. An equal change in the opposite direction would have reduced the net asset values by an equal but opposite amount.

	<u>2025</u>	Estimated increase in net assets attributable to shareholders US\$
<u>Sub-Funds</u>	Change in price %	
<b>MicroBit Bitcoin Spot ETF</b>		
Bitcoin	10%	20,518,694
<b>MicroBit Ether Spot ETF</b>		
Ether	<u>10%</u>	<u>1,072,660</u>

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### 11. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES - continued

#### Market risk - continued

##### **Currency risk**

The Sub-Funds may hold assets and liabilities denominated in currencies other than their functional currencies and are therefore exposed to currency risk that the exchange rate of its currency relative to other foreign currencies may change in a manner that has an adverse effect on the fair value of the Sub-Funds' assets and liabilities denominated in currencies other than US\$.

The fluctuations in the rate of exchange between the currency in which the asset or liability is denominated and the functional currency could result in an appreciation or depreciation in the value of that asset or liability. The Manager may mitigate this risk by using derivative financial instruments. The Manager monitors the Sub-Funds' currency exposure on an ongoing basis.

As at 31 December 2025, all financial instruments and digital assets for MicroBit Bitcoin Spot ETF and MicroBit Ether Spot ETF are denominated either in Hong Kong dollars ("HK\$") or United States dollars ("US\$"). As HK\$ is pegged to US\$, the Manager considers there is no significant currency risk is associated with the Sub-Funds and thus no sensitivity has been disclosed.

##### **Interest rate risk**

Interest rate risk arises from changes in interest rates which may affect the value of interest-bearing financial assets and liabilities, and therefore result in potential gain or loss to the Sub-Funds. The Sub-Funds' interest rate risk is managed on a regular basis by the Manager.

The Sub-Funds' exposure to the risk of changes in market interest rates relates primarily to the cash and cash equivalents, which is considered insignificant to the Sub-Funds.

#### Credit risk

Credit risk is the risk that a counterparty will be unable to pay amounts in full when due. All transactions in investments are settled on a delivery versus payment basis using approved brokers. The risk of default is considered minimal, as delivery of digital assets sold is only made when the Custodian has received payments.

For purchase transactions, payments are made once digital assets have been received by the Custodian. The trade will fail if either party fails to meet their obligation.

The Manager monitors the Sub-Funds' credit position on a regular basis. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of assets and liabilities.

The Sub-Funds apply the IFRS 9 general model for amounts receivable and cash and cash equivalents. The Manager considers the probability of the counterparties not being able to pay is minimal as they are either bank with high credit ratings or a SFC-licensed virtual asset trading platform operators with have capacity to meet their contractual obligations in the near term and thus there is no impairment allowance recognised.

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### 11. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES - continued

#### Liquidity risk

Liquidity risk arises from the risk that the Sub-Funds may not be able to convert investments into cash to meet liquidity needs in a timely manner. The Sub-Funds' exposure to liquidity risk arises because of the possibility that the Sub-Funds could be required to pay its liabilities or redeem its shares earlier than expected. The Sub-Funds are exposed to daily cash redemption of its redeemable shares. Shares are redeemable at the shareholders' option based on the Sub-Funds' net asset value per share at the time of redemption.

The Sub-Funds' policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash and readily realizable marketable securities to meet its liquidity requirements in the short and long-term.

MicroBit Bitcoin Spot ETF and MicroBit Ether Spot ETF invest in Bitcoin and Ether respectively which are traded in an active market, and can be readily disposed of. The Manager monitors the Sub-Funds' liquidity position on a regular basis.

As at 31 December 2025, all the financial liabilities including net assets attributable to shareholders of the Sub-Funds are repayable on demand or due within three months.

#### *Staking activities*

Staked Ether is subject to a lock-up mechanism inherent in the Ethereum proof-of-stake protocol. The time required to unstake may range from several days to a few weeks, depending on network congestion and validator exit queues. The Manager has maintained sufficient unstaked Ether to manage liquidity and redemption requirements during the period ended 31 December 2025.

#### Custody risk of digital assets held

The Sub-Funds are exposed to custody risk. In the event that Hashkey Custody fails to perform its obligations, the Sub-Funds may be unable to operate effectively, create or redeem Shares, or may be forced to liquidate assets, which could affect the value of the shares.

In addition, given the pseudonymous nature of the Bitcoin and Ether networks, it is difficult to verify ownership of bitcoin and ether. Consequently, in the event of loss, theft or compromise of the private keys managed by Hashkey that are required to control these digital assets, it may be challenging to identify the responsible parties or pursue any claims against them.

The Manager addresses these risks by appointing an SFC-licensed Virtual Asset Sub-Custodian under a formal sub-custody agreement, with the Custodian - BOCI-Prudential Trustee Limited remaining ultimately responsible for the safekeeping of the assets. The Virtual Asset Sub-Custodian is required to segregate the Sub-Funds' assets from its own assets. The majority of the digital assets are stored in cold storage, with only minimal holdings maintained in hot wallets for operational purposes. Strict controls are maintained over private key management and restricted access to authorised personnel only. The Manager also performs ongoing due diligence and monitoring of the Virtual Asset Sub-Custodian's operations and internal controls. These measures are designed to mitigate custody risks.

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### 12. FAIR VALUE INFORMATION

The Sub-Funds' digital assets are measured at fair value at the reporting date. Fair value estimates are made at a specified point in time, based on market conditions and information about the digital assets. Usually, fair values can be reliably determined within a reasonable range of estimates.

#### Valuation of digital assets

The Sub-Funds accounting policy on fair value measurements is detailed in material accounting policies and Note 7 to the financial statements.

The Sub-Funds measure fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

- Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.
- Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The following analyses financial instruments at fair value the end of the reporting year, by the level in the fair value hierarchy into which the fair value measurement is categorised.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	US\$	US\$	US\$	US\$
<u>MicroBit Bitcoin Spot ETF</u>				
<b>As at 31 December 2025</b>				
Bitcoin	<u>205,186,939</u>	<u>-</u>	<u>-</u>	<u>205,186,939</u>
<u>MicroBit Ether Spot ETF</u>				
<b>As at 31 December 2025</b>				
Ether	<u>10,726,579</u>	<u>-</u>	<u>-</u>	<u>10,726,579</u>

During the period ended 31 December 2025, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3.

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### 12. FAIR VALUE INFORMATION - continued

#### Valuation of financial instruments

For financial instruments including cash and cash equivalents, management fee payable, administrative fee payable, custodian fee payable and other payables, the directors and Manager consider that the carrying amounts approximate fair values due to the immediate or short-term nature of these financial instruments.

### 13. MAJOR NON-CASH TRANSACTIONS

#### **MicroBit Bitcoin Spot ETF**

##### Subscription

During the period from 20 August 2025 (date of inception) to 31 December 2025, the sub-fund had issued 261,600,000 shares valued at US\$259,491,110 via settlement in bitcoin plus the relevant cash component included in the statement of cash flows.

##### Redemption

During the period from 20 August 2025 (date of inception) to 31 December 2025, the sub-fund had redeemed 800,000 shares valued at US\$811,920 via settlement in bitcoin plus the relevant cash component included in the statement of cash flows.

#### **MicroBit Ether Spot ETF**

##### Subscription

During the period from 20 August 2025 (date of inception) to 31 December 2025, the sub-fund had issued 21,000,000 shares valued at US\$21,056,160 via settlement in ether plus the relevant cash component included in the statement of cash flows.

##### Redemption

During the period from 20 August 2025 (date of inception) to 31 December 2025, the Sub-Fund had redeemed 3,700,000 shares valued at US\$2,570,760 via settlement in ether plus the relevant cash component included in the statement of cash flows.

### 14. DISTRIBUTIONS

In accordance with the prospectus of the Sub-Funds, MicroBit Bitcoin Spot ETF and MicroBit Ether Spot ETF have no distribution policy and no distribution will be made.

There were no distribution made for MicroBit Bitcoin Spot ETF and MicroBit Ether Spot ETF for the period from 20 August 2025 (date of inception) to 31 December 2025.

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### 15. SOFT COMMISSION ARRANGEMENTS

During the period ended 31 December 2025, the Manager and its connected persons did not enter into any soft commission arrangements with brokers relating to dealing in the assets of the Sub-Funds.

### 16. SEGMENT INFORMATION

The Manager makes the strategic resource allocation on behalf of the Company and the Sub-Funds and determine the operating segments based on the internal reporting used to make strategic decisions.

The Manager's asset allocation decisions for each of the Sub-Funds are based on one single, integrated investment strategy specific to that Sub-Funds, and each of the Sub-Funds' performance are evaluated on an overall basis in respective of that Sub-Fund. Accordingly, the Manager considers that each of the Sub-Funds has one single operating segment which is investing in a portfolio of digital assets to generate investment returns in accordance with the investment objective stipulated in the prospectus.

All gains and losses generated from investments by the Sub-Funds are disclosed in note 4.

The segment information provided to the Manager is the same as that disclosed in the statement of profit or loss and comprehensive income and the statement of financial position.

The Sub-Funds are domiciled in Hong Kong. Majority of the Sub-Funds' income is derived from investments in digital assets. The Sub-Funds have no assets classified as non-current assets.

### 17. BANK LOANS, OVERDRAFTS AND OTHER BORROWINGS

The Sub-Funds had no bank loans, overdrafts or other borrowings as at 31 December 2025.

### 18. SECURITIES LENDING ARRANGEMENT

During the period from 20 August 2025 (date of inception) to 31 December 2025, the Sub-Funds did not enter into any security lending arrangements.

### 19. NEGOTIABILITY OF ASSETS

As at 31 December 2025, there were no statutory or contractual requirements restricting the negotiability of the assets of the Sub-Funds.

### 20. CONTINGENT LIABILITIES AND CAPITAL COMMITMENT

As at 31 December 2025, the Sub-Funds had no contingent liabilities or commitment.

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21. SUBSEQUENT EVENTS

The Company and its Sub-Funds have evaluated events subsequent to the reporting date of 31 December 2025 up to the date of authorisation of these financial statements, during which the market prices of bitcoin and ether have declined, resulting in a decrease in the fair value of the digital assets held by the Sub-Funds after the reporting date. These are non-adjusting events and do not require any adjustment to the financial statements as at 31 December 2025.

The directors and Manager confirm that there are no other subsequent events requiring adjustment to or further disclosure in these financial statements.

22. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Manager and the board of directors on 30 April 2026.

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MICROBIT FUNDS SERIES (HONG KONG) ETF OFC

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INVESTMENT PORTFOLIO (UNAUDITED)

AS AT 31 DECEMBER 2025

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MicroBit Bitcoin Spot ETF

	<u>Holdings</u>	<u>Cost</u> US\$	<u>Value</u> US\$	<u>% of net</u> <u>asset value</u>
<u>Investments</u>				
<b>Digital assets</b>				
Bitcoin <sup>(1)</sup>	<u>2,318.46665</u>	<u>261,947,187</u>	<u>205,032,207</u>	<u>99.96%</u>

MicroBit Ether Spot ETF

	<u>Holdings</u>	<u>Cost</u> US\$	<u>Fair</u> <u>value</u> US\$	<u>% of net</u> <u>asset value</u>
<u>Investments</u>				
<b>Digital assets</b>				
Ether <sup>(2)</sup>	<u>3,607.555343</u>	<u>15,274,278</u>	<u>10,720,464</u>	<u>98.98%</u>

(1) The value of Bitcoin reference to CME CF Bitcoin Reference Rate (APAC Variant) as indicated in the Prospectus.

(2) The value of Ether reference to CME CF Ether Reference Rate (APAC Variant) as indicated in the Prospectus.

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STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED)  
FOR THE PERIOD ENDED 31 DECEMBER 2025

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	% of net assets at 31 December <u>2025</u>	% of net assets at 20 August 2025 (date of inception)
<u>MicroBit Bitcoin Spot ETF</u>		
Digital assets - Bitcoin	<u>99.96%</u>	<u>-</u>
	% of net assets at 31 December <u>2025</u>	% of net assets at 20 August 2025 (date of inception)
<u>MicroBit Ether Spot ETF</u>		
Digital assets - Ether	<u>98.98%</u>	<u>-</u>

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PERFORMANCE TABLE (UNAUDITED)  
FOR THE PERIOD ENDED 31 DECEMBER 2025

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Net asset value

	Net asset value* US\$	Net asset value per share* US\$
<u>MicroBit Bitcoin Spot ETF</u> <b>At 31 December 2025 (NAV)</b> Listed class	205,106,157	0.7725
<u>MicroBit Ether Spot ETF</u> <b>At 31 December 2025 (NAV)</b> Listed class	<u>10,830,439</u>	<u>0.7033</u>

\* Total net asset value and the net asset value per share was calculated in accordance with the prospectus.

Highest and lowest net asset value per share (dealing net asset value per share)\*

	Highest net as set value per share US\$	Lowest net asset value per share US\$
<u>MicroBit Bitcoin Spot ETF</u> <b>Period from 20 August 2025 (date of inception) to 31 December 2025</b> Listed class	<u>1.0835</u>	<u>0.74</u>
<u>MicroBit Ether Spot ETF</u> <b>Period from 20 August 2025 (date of inception) to 31 December 2025</b> Listed class	<u>1.0973</u>	<u>0.6508</u>

\* The highest net asset value per share and lowest net asset value per share were calculated in accordance with the prospectus.

MICROBIT FUNDS SERIES (HONG KONG) ETF OFC

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PERFORMANCE RECORD (UNAUDITED) - continued

FOR THE PERIOD ENDED 31 DECEMBER 2025

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Comparison of the Sub-Funds' performance and the actual index performance\*

The table below illustrates the comparison between the Sub-Funds' performance (Market-to-Market) and that of the index during the following period:

	<u>The index</u>	HKD counter of the <u>Sub-Fund</u>	USD counter of the <u>Sub-Fund</u>
<b>MicroBit Bitcoin Spot ETF</b>			
Period from 20 August 2025 (date of inception) to 31 December 2025	-22.20%	-22.92%	-23.50%
<b>MicroBit Ether Spot ETF</b>			
Period from 20 August 2025 (date of inception) to 31 December 2025	<u>-29.20%</u>	<u>-30.41%</u>	<u>-30.20%</u>

\* Past performance figures shown are not indicative of the future performance of the Sub-Funds.